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No. 93-2070

In the Supreme Court of the United States

OCTOBER TERM, 1993

TEXAS EASTERN TRANSMISSION CORPORATION,
Petitioner,

v.

FIDELITY & CASUALTY INSURANCE COMPANY OF NEW YORK, *et al.*,
Respondents.

On Petition For A Writ Of Certiorari ToThe United States Court of Appeals for the Third Circuit

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QUESTIONS PRESENTED

1. Whether the factual finding of the district court that the Insurance Corporation of Ireland was wholly owned by the Republic of Ireland and is therefore an "instrumentality of a foreign state" under 28 U.S.C. § 1603(b) was properly affirmed by the court of appeals as not clearly erroneous.

2. Whether, in an action based on diversity jurisdiction and governed by pre-1990 law now superseded by federal statute, there is ancillary jurisdiction over a defendant's compulsory counterclaim joining nondiverse parties pursuant to Fed. R. Civ. P. 13(h).

List of Affiliated Companies of Respondents
is found on pages RA6–RA43

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COUNTERSTATEMENT OF THE CASE

Petitioner Texas Eastern Transmission Corporation ("TETCO") is obligated, pursuant to consent decrees entered into with various federal and state agencies, to correct statutory violations and remediate environmental contamination at numerous sites along its interstate natural gas pipeline. Respondents are primary and excess insurers who issued policies of insurance under which Petitioner claimed insurance coverage for the cost of compliance with the consent decrees and related private party claims.

A. Three Separate Actions Consolidated

Petitioner's claims for insurance coverage were adjudicated in three actions which were ultimately consolidated in the United States District Court for the Eastern District of Pennsylvania as *"In re Texas Eastern Transmission Corp. PCB Contamination Insurance Coverage Litigation,"* MDL No. 764:

1. *F&C* action: In December 11, 1987, Fidelity & Casualty Co. of New York ("F&C") commenced a declaratory judgment action against Petitioner in the Northern District of Texas, with jurisdiction based on diversity of citizenship. The *F&C* action was transferred by the Judicial Panel for Multidistrict Litigation to the Eastern District of Pennsylvania in May 1988 as part of MDL No. 764.

2. *AEGIS* action: On March 11, 1988, Associated Electric & Gas Insurance Services Limited ("AEGIS") and another excess insurer commenced a declaratory judgment action in the Eastern District of Pennsylvania against Petitioner and all of its other insurers, including

the Insurance Corporation of Ireland ("ICI").[1] Jurisdiction in the *AEGIS* action was predicated, *inter alia*, upon the Foreign Sovereign Immunities Act ("FSIA"), in that ICI was, at the time of suit, wholly owned by the Republic of Ireland, and so was an "instrumentality of a foreign state" within the meaning of 28 U.S.C. § 1603(a) and (b).

3. *Texas Eastern* action: On March 21, 1988, Petitioner filed a declaratory judgment and breach of contract action in Texas state court against all of its insurers, including ICI.[2] ICI removed the case to the United States District Court for the Southern District of Texas pursuant to 28 U.S.C. § 1441(d). The court transferred the case to the Eastern District of Pennsylvania under 28 U.S.C. § 1404(a), where it was consolidated with the other two actions in MDL No. 764.

B. Respondents Prevail on the Merits

In July 1992, the district court granted summary judgment to all Respondents denying Petitioner's claims for insurance coverage. *See* A-106 to A-281. Judgment in favor of all Respondents was entered individually in each of the three cases which comprise

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[1]In addition to Petitioner's insurers, the Pennsylvania Insurance Guaranty Association is also a Respondent in the *AEGIS* action.

[2]Petitioner initially filed suit against all of its insurers in New Jersey state court and moved to stay or dismiss the *F&C* action in Texas in favor of its New Jersey action. Petitioner filed the *Texas Eastern* action only after its New Jersey suit was dismissed on grounds of *forum non conveniens* on March 17, 1988.

MDL No. 764. A-278 to A-281. The court of appeals affirmed the grant of summary judgment in favor of Respondents on the merits in all three cases. A-36, A-51 to A-64.

Petitioner does not seek certiorari on the merits of its claim for insurance coverage. Rather, it raises two jurisdictional questions, one relating to the *AEGIS* and *Texas Eastern* actions, and another arising in the *F&C* action. The Court is respectfully referred to the opinions below for a more detailed discussion of the merits. The following facts pertain to the jurisdictional issues raised in the Petition before the Court.

C. The District Court Upholds Jurisdiction in All Three Actions

In July 1988, Petitioner moved for remand of the *Texas Eastern* action to Texas state court and dismissal of the *AEGIS* action for lack of jurisdiction under the FSIA. In support of FSIA jurisdiction, Respondent ICI submitted the affidavit of its chief executive officer, which set forth facts showing that ICI met each of the three statutory elements to constitute an instrumentality of a foreign state under § 1603(b). A-296. With respect to the majority ownership element in § 1603(b)(2), the affidavit stated that "in March 1985 the Government of Ireland acquired 100 percent shares of ICI through a wholly owned corporation." *Id.* Petitioner raised numerous arguments against FSIA jurisdiction which it has since abandoned. With respect to ICI's status, Petitioner argued that ICI was merely under administration "similar to a Chapter 11 proceeding under United States Bankruptcy laws" and was not actually owned by the Irish government. A-297. Petitioner did not contend, as it does now, that

ICI's status should be determined on criteria other than ownership.

The district court rejected Petitioner's argument, stating that "although ICI may be under the administration of the Courts for some purposes, a majority of the shares of ICI, 'or other ownership interests' is owned by the Republic of Ireland." A-298. The district court explained:

> [Section 1603(b)(2)] provides that it be a majority of the shares or other ownership interest. Since SAT owns 100 percent of ICI's shares and SAT is 100 percent owned and controlled by the Republic of Ireland through its Minister of Industry and Commerce, and the sole shareholders and directors of SAT are officials of the Department of Industry and Commerce, *there is a direct and complete ownership of ICI by the Republic of Ireland for purposes of 28 USC Section 1603.*

A-298 (emphasis added). In support of its finding of "direct and complete ownership," the district court cited the Irish enabling statute for SAT, which provided, among other things, that the Irish Minister was granted "all of the rights and powers" of a shareholder, and that any dividends and profits "were to go to the Exchequer of Ireland." A-297. Accordingly, the district court denied Petitioner's challenges to FSIA jurisdiction in the *Texas Eastern* and *AEGIS* actions.

At this time, F&C and Petitioner were still the only parties in the *F&C* action. Diversity jurisdiction was unchallenged in the *F&C* action, but Petitioner had asked for reconsideration of its motion to stay or

dismiss, which had been denied twice already in the Northern District of Texas prior to transfer to MDL No. 764. The district court denied reconsideration and made clear that all three cases would be consolidated and proceed with coordinated discovery and preparations for trial. A-290 to A-291; A-307 to A-308.

After its jurisdictional objections were denied, Petitioner answered the F&C complaint. As a "precautionary measure," it joined the excess insurers as additional parties to its compulsory counterclaim against F&C pursuant to Fed.R.Civ.P. 13(h). A-14 to A-17; Petition at 8. Petitioner alleged that there was "ancillary jurisdiction" over the excess insurers, A-17, and that all its insurers were *"jointly and severally"* liable for all of Petitioner's claims. A-19 n.5 (emphasis by the court). F&C and most of the excess insurers have citizenship diverse from Petitioner; six of the excess insurers are nondiverse. Petition at 8. Thus, "[w]hat started out as an action between only [F&C] and [Petitioner] then became, through [Petitioner's] actions, a case involving *all* [Respondents]." A-13 (emphasis by the court). As noted above, the district court ultimately granted summary judgment in favor of all Respondents in all three actions.

D. The Court of Appeals Upholds Jurisdiction in All Three Actions.

On appeal,[3] Petitioner initially challenged jurisdiction only in the *AEGIS* and *Texas Eastern*

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[3]While appealing the judgment of the district court, Petitioner also commenced an action in Texas state court as an attempted collateral attack. The new action was removed to federal court and transferred to the Eastern District of Pennsylvania, where it was consolidated with a

actions, on grounds not raised in the Petition. Petitioner did not assign error to the factual finding that ICI was an instrumentality of a foreign state because it was owned by the Republic of Ireland. Rather, in a footnote, Petitioner suggested that the "ownership" test was inappropriate and argued only that ICI could not be considered an "instrumentality" of Ireland because ICI was controlled by an administrator who did not exercise functions that are "peculiarly governmental." Brief for Appellant TETCO at 68 n.89 (No. 92-1638).

In its initial May 28, 1993 opinion, the Court of Appeals upheld FSIA jurisdiction in the *AEGIS* and *Texas Eastern* actions based on "the presence as a defendant of ICI, which qualifies as a foreign state because the Republic of Ireland owns 100% of its stock and has assumed its obligations." A-81; see also A-94 n.1. The court then affirmed the district court's exercise of FSIA jurisdiction, rejecting Petitioner's claims of error as to waiver and realignment. A-81 to A-83. The court (and the dissent) found diversity jurisdiction in the *F&C* case. A-81; A-93.

On June 10, 1993, Petitioner filed a petition seeking both panel rehearing and rehearing in banc solely on the basis that the court's rulings as to realignment in the *AEGIS* case and waiver of the right to remove in the *Texas Eastern* case were in conflict with Third Circuit precedents. Petitioner did not seek rehearing with

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similar action filed in response by one Respondent. The district court, by order dated April 21, 1994, stayed proceedings and barred the commencement of any further PCB-related insurance coverage litigation pending resolution of this Petition, even if Petitioner is the target of new claims by third-parties. A-2 to A-3.

respect to the status of ICI as an instrumentality of a foreign state or the district court's jurisdiction over the excess insurers in the *F&C* action. Petitioner then—for the first time—took the position that the excess insurers were not in fact parties to the *F&C* action because Petitioner had failed to cause summonses to be served on them. A-17. The panel granted rehearing "limited exclusively to the matters raised in the petition," and requested further briefs addressing three specific jurisdictional issues. A-74.

Upon rehearing and reargument, the Court of Appeals found that all Respondents were parties to the *F&C* action, A-14 to A-17, and again affirmed federal jurisdiction in all three actions. A-36. The January 10, 1994 opinion confirms that Petitioner did not challenge the finding that ICI was a "foreign state" but, rather, assumed that ICI was an instrumentality of a foreign state and challenged jurisdiction on other grounds. A-14. Nevertheless, confirming its own jurisdiction, the Court of Appeals affirmed the finding that ICI was a "foreign state" as "not clearly erroneous." A-23 n.8. The dissent did not disagree, assuming that ICI "falls within 28 U.S.C. § 1603's definition of a 'foreign state'" and dissenting on other grounds. A-39.

With respect to the *F&C* action, the Court of Appeals held that it is "undisputed" that the court had diversity jurisdiction over the initial claims of F&C against Petitioner. A-14. The dissent concurred. A-46. The Court of Appeals then turned to Petitioner's challenge to ancillary jurisdiction "over the nondiverse counterclaim defendants" based on *Finley v. United States*, 490 U.S. 545 (1989). A-17. The court noted that, prior to *Finley*, the Third Circuit had held that ancillary jurisdiction could be exercised over additional parties

to a compulsory counterclaim. *Id.* The court found that *Finley* involved pendent jurisdiction over a claim by a plaintiff in a suit under the Federal Tort Claims Act, while the present case involved ancillary jurisdiction over parties added by a defendant to a compulsory counterclaim. A-17 to A-19. The court noted that "'the bringing in of additional parties to respond to a compulsory counterclaim does not destroy diversity jurisdiction,'" A-20 to A-21, and that there would be supplemental jurisdiction in such circumstances under 28 U.S.C. § 1367, although that statute did not apply by its terms. A-21. Accordingly, the court concluded that *Finley* was not controlling and that "the additional non-diverse counterclaim defendants do not destroy diversity jurisdiction in the *F&C* action." A-21.

On January 24, 1994, Petitioner filed a second rehearing petition seeking only rehearing in banc. The second rehearing petition assumed for purposes of argument that ICI was an instrumentality of a foreign state. The Third Circuit denied rehearing on February 3, 1994. A-4 to A-5.

REASONS FOR DENYING THE PETITION

The Court of Appeals has affirmed judgment on the merits in favor of Respondents in three consolidated cases and upheld federal jurisdiction in each on alternative grounds. Petitioner's first question would affect jurisdiction in the *AEGIS* and *Texas Eastern* actions. Petitioner's second question addresses jurisdiction only in the *F&C* action, and only with respect to some Respondents in that action. Even if this Court were to grant review and Petitioner were to prevail on both questions, there would still be federal

jurisdiction over most Respondents in the third action, and the judgment rendered in their favor would be unaffected. Dismissal with prejudice and collateral estoppel would then be proper for the remaining Respondents.

Neither of the questions presented calls for this Court's review. The first involves only a factual determination of the legal status of a single corporation. There is no conflict among the courts of appeals and no indication that the circumstances of the corporation are of any general importance. The second question has no prospective importance. In 1990, Congress enacted a statute, 28 U.S.C. § 1367, which controls all cases filed on or after December 1, 1990. As to the few cases still governed by pre-1990 law, such as this one, there is no conflict among the courts of appeals on the narrow question presented of ancillary jurisdiction over compulsory counterclaims against nondiverse parties added by defendants under Fed. R. Civ. P. 13(h). Moreover, as noted above, the answer to the second question will have little if any practical significance even for the parties.

I. Certiorari Is Not Warranted to Review the Factual Finding of Both Courts Below That ICI Is an Instrumentality of a Foreign State.

A. This Case Presents No Legal Issue of General Importance

The courts below asserted federal jurisdiction over the *AEGIS* and *Texas Eastern* actions on the basis of a factual determination that ICI is an "instrumentality of a foreign state." 28 U.S.C. § 1603(b). The statute

defines an "agency or instrumentality of a foreign state" to be *"any entity"*

> (1) which is a separate legal person, corporate or otherwise, and
>
> (2) ... a majority of whose shares *or other ownership interest* is owned by a foreign state or political subdivision thereof, and
>
> (3) which is neither a citizen of a State of the United States as defined in [28 U.S.C. § 1332(c)-(d)], nor created under the laws of any third country.

28 U.S.C. § 1603(b) (emphasis added).

There has never been any dispute concerning the first and third of these criteria. At the district court, Petitioner argued that the second criteria was not satisfied because ICI was merely under court-supervised administration similar to United States bankruptcy proceedings. A-297. The district court rejected the analogy, holding that "there is a direct and complete ownership of ICI by the Republic of Ireland for purposes of 28 USC Section 1603." A-298. That determination was supported by a number of specific findings:

- "SAT owns 100 percent of ICI's shares and SAT is 100 percent owned and controlled by the Republic of Ireland through its Minister of Industry and Commerce." A-298.
- The Irish Minister of Industry and Commerce is specifically empowered by an

Irish statute to "exercise all of the rights and powers of holders of shares" and "the sole shareholders and directors of SAT have been two officials of the Department of Industry and Commerce." A-297.

- All dividends and profits of ICI go, through SAT, to the Exchequer of Ireland. A-297.

- Since March 1985, ICI had been "operated by an Administrator appointed by the [Irish] Government." A-296.

- The Administrator "is entitled to the powers of management and shareholder." A-297.

These findings plainly distinguish the Irish government's ownership of ICI from United States bankruptcy proceedings. Dividends and profits of a company in reorganization are not paid into the United States treasury.

The Court of Appeals affirmed the district court's factual finding of majority ownership by the Irish government, applying the "clearly erroneous" standard of review.[4] A-23 n.8. (The dissent simply assumed that ICI was an instrumentality of a foreign state and

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[4]It is well-settled that district courts may make necessary factual findings for purposes of determining federal subject matter jurisdiction and that those factual findings are reviewed under the "clearly erroneous" standard. *See, e.g., Land v. Dollar*, 330 U.S. 731, 735 n.4 (1947); *Herbert v. National Academy of Sciences*, 974 F.2d 192, 197-98 (D.C. Cir. 1992); *Williamson v. Tucker*, 645 F.2d 404, 413 (5th Cir.), *cert. denied*, 454 U.S. 897 (1981).

dissented on other grounds, which are not raised in the Petition. A-39 to A-42.)

The lower court's factual findings present no legal questions calling for this Court's review. *Rudolph v. United States*, 370 U.S. 269, 270 (1962); *Rogers v. Lodge*, 458 U.S. 613, 623 (1982). Petitioner's belated attempt to inject a legal issue into the determination of ICI's status as an instrumentality of a foreign state is unavailing; that determination is so fact-specific to ICI that even the "mixed" question is inappropriate for review.

Petitioner's fact-bound question does not present an issue of importance to anyone other than the parties. Petitioner attempts to fabricate an issue of more general significance by erroneously implying that the decision below would make any insolvent foreign company an instrumentality of a foreign state and thereby unleash an avalanche of litigation in the federal courts. Petition at 15. Petitioner errs, first, in characterizing ICI as insolvent. In fact, the Irish government's assumption of ownership of ICI *prevented* insolvency. Petitioner errs, secondly, in confusing government administration of an insolvent enterprise with government ownership of an enterprise. The facts in this case establish "direct and complete ownership" by a foreign state. A-298. The numerous indicia of ownership found by the district court in this case were critical in establishing the majority ownership interest required by § 1603(b)(2). These indicia of ownership will not be present in typical insolvency proceedings. Court-appointed administrators may have management powers over an insolvent enterprise, but the government does not thereby assume actual ownership and collect the dividends and profits from the enterprise.

Thus, Petitioner's suggestion that the decision below presages massive abuse of the FSIA by insolvent foreign insurance companies is baseless. The predicted avalanche of litigation has simply not occurred, almost six years after the district court's ruling. Petitioner has been unable to point to a single insolvent foreign insurer during that period that has claimed FSIA jurisdiction based on governmental ownership. In fact, such a prospect is unlikely because insolvency typically results in a stay of legal proceedings, and so an insolvent will generally have no occasion to invoke FSIA jurisdiction. *Cf.* 11 U.S.C. § 362 (automatic stay of proceedings against debtor under bankruptcy law).

B. There is No Conflict Among the Circuits

The courts of appeals have repeatedly and consistently upheld jurisdiction under the FSIA when "a majority of [a corporation's] shares *or other ownership interest* is owned by a foreign state." 28 U.S.C. § 1603(b)(2) (emphasis added).[5] The broad "other

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[5]Recent decisions include, *e.g., Commercial Bank of Kuwait v. Rafidain Bank*, 15 F.3d 238, 239 (2d Cir. 1994) ("a commercial bank wholly owned by the Republic of Iraq" is "therefore" an agency or instrumentality of a foreign state); *NYSA-ILA Pension Trust Fund v. Garuda Indonesia*, 7 F.3d 35, 37, 38 (2d Cir. 1993) (FSIA jurisdiction over a "corporation that is owned entirely by a foreign state"), *cert. denied*, 114 S.Ct. 1065 (1994). The statutory standard of majority ownership is so straightforward that it is commonly undisputed. *See, e.g., Sugimoto v. Exportadora de Sal, S.A. de C.V.*, 19 F.3d 1309, 1310 (9th Cir. 1994) ("a manufacturer of salt owned 51 percent by the government of Mexico and 49 percent by Mitsubishi Corporation"); *Drexel Burnham Lambert Group Inc. v. Committee of Receivers*, 12 F.3d 317, 320, 324 (2d Cir. 1993) (a committee formed by the Emirate of Dubai to "wind up the business

ownership interest" provision in the statute makes clear that the foreign state is allowed flexibility in selecting a legal or corporate structure for holding its majority ownership interest.

Petitioner argues that the Irish government cannot exercise its rights under the FSIA because it "has at most an indirect interest in ICI's shares." Petition at 12. Nothing in the statute or in the precedents of this Court or the courts of appeals suggests that the form of ownership employed was insufficient in any respect. The district court relied on the "other ownership interest" provision in rejecting that argument. A-298. Other courts have similarly upheld FSIA jurisdiction without regard to the technical form of ownership.[6]

Petitioner concedes that there is no *actual* conflict among the circuits and argues only that there is a "functional equivalent" of a conflict based on "three district court decisions holding that ICI is not a foreign state." Petition at 13. The Court's settled practice is to

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affairs and liquidate all nonbanking assets" was "an instrumentality of the Emirate"), *cert. denied*, 114 S.Ct. 1644 (1994); *Rodriguez v. Transnave, Inc.*, 8 F.3d 284, 286 & n.1 (5th Cir. 1993) (a ship "wholly owned by... a state naval entity of Ecuador").

[6]*See, Cargill Int'l. S.A. v. M/T Pavel Dybenko*, 991 F.2d 1012, 1015-16 (2d Cir. 1993); *Chuidian v. Philippine Nat. Bank*, 912 F.2d 1095, 1098 (9th Cir. 1990); *O'Connell Mach. Co. v. M.V. "Americana,"* 734 F.2d 115, 116-17 (2d Cir.), *cert. denied*, 469 U.S. 1086 (1984); *Talbot v. Saipem A.G.*, 835 F. Supp. 352, 353 n.2 (S.D. Tex. 1993); *Balentine v. Union Mortgage Co.*, 795 F. Supp. 266, 267-69 (N.D. Ill. 1992); *Trump Taj Mahal Assoc. v. Costruzioni Aeronautiche Giovanni Augusta, S.p.A.*, 761 F.Supp. 1143, 1149-50 (D.N.J. 1991), *aff'd*, 958 F.2d 365 (3d Cir.), *cert. denied*, 113 S.Ct. 84 (1992).

leave the resolution of conflicts among district courts to the courts of appeals. Petitioner asserts that the Court should abandon that practice because Congress's bar on appellate review of certain remand orders, *see* 28 U.S. § 1447(d), prevents conflicts among the circuits from arising.

Petitioner has overlooked the fact that actions against an instrumentality of a foreign state are within the original jurisdiction of the federal courts under 28 U.S.C. § 1330(a) (as in the *AEGIS* action) and 28 U.S.C. § 1332(a)(4) (foreign state plaintiff) as well as the removal jurisdiction under 28 U.S.C. § 1441(d) (as in the *Texas Eastern* action). Section 1447(d) does not limit appellate review of determinations of original jurisdiction. The courts of appeals have applied and interpreted § 1603(b)(2) in the many cases that are not within the scope of Congress's bar on appellate review. *See, e.g.*, p.13 n.5; p.14 n.6. These decisions of the courts of appeals are not in conflict, and there is no reason for the Court to begin undertaking to reconcile district court decisions, particularly unpublished district court decisions.

The fact that all three district court opinions on which Petitioner relies are unpublished—with limited precedential value even in the district courts—greatly weakens Petitioner's claim that they deserve to be considered the "functional equivalent" of decisions of the courts of appeals. Consideration of their specific holdings and circumstances confirms that these particular opinions are not such "functional equivalents."

One of the district court opinions on which Petitioner relies was undercut by the Eighth Circuit on

appeal. *Murphy Oil USA, Inc. v. United States Fidelity & Guar. Co.*, No. 93-1207 (8th Cir. June 21, 1993) (RA-1 to RA-3). Petitioner reprinted the district court's opinion in *Murphy Oil, see* Petition at 13-14, A-316 to A-331, but did not inform the Court of the decision on appeal. The Eighth Circuit found the factual record before it insufficient and remanded the case to the district court for "a more detailed presentation and analysis of the facts" bearing upon the question of whether ICAROM (a successor of ICI) was an instrumentality of a foreign state.[7] RA-2. The court of appeals recognized that the determination of whether ICI is a "foreign state" is fact-bound and implicitly rejected the district court findings on which Petitioner relies. The Eighth Circuit's order in *Murphy Oil* certainly does not conflict with the decisions below and renders untenable Petitioner's claim that the district court opinion in *Murphy Oil* should be considered the functional equivalent of a decision by the Eighth Circuit.[8]

The remaining district court opinion cited by Petitioner as establishing a conflict among the circuit courts is *Mobil Corp. v. Abeille Gen. Ins. Co.*, No H-89-3877, 1990 WL 504828 (S.D. Tex. Nov. 6, 1990), *appeal dismissed*, 984 F.2d 664 (5th Cir. 1993). A-332 to A-339. The court in *Mobil* applied a non-statutory "public

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[7]The court of appeals retained jurisdiction to proceed with the appeal following the evidentiary hearing in the district court. RA-2 to RA-3. The appeal was subsequently dismissed pursuant to Fed. R. App. P. 42(b). *Murphy Oil* (8th Cir. Aug. 30, 1993); RA-5.

[8]*Aluminum Co. of America v. Admiral Ins. Co.*, No. C93-32C (W.D. Wash. Apr. 9, 1993), also cited by Petitioner, held only that ICAROM lacked standing to remove, while, in dicta, indicating it would follow *Murphy* and *Mobil*. A-313 to A-315.

purpose" test to determine whether ICI was an instrumentality of a foreign state and stated that "[n]o evidence has been submitted indicating ICI has a public purpose." A-334. Applying its non-statutory test, and based on the particular record before it and its dissatisfaction with discovery responses, the district court concluded that "ICI's assertion that it is a foreign sovereign is tenuous at best." A-336.

The *Mobil* court derived its non-statutory jurisdictional test (which Petitioner seizes upon here), from another district court opinion in *Edlow International Co. v. Nuklearna Elektrarna Krsko*, 441 F.Supp. 827 (D.D.C. 1977). Petition at 14. In *Edlow*, a workers' organization operating a power plant in Yugoslavia argued that it was an "organ" or an "instrumentality" of a foreign state because "all property under a socialist system ... is subject to the ultimate ownership and authority of the state." *Id.* at 831. The *Edlow* court's discussion of the degree of governmental function and control—on which the district court in *Mobil* based its "public purpose" test—simply explains *Edlow*'s conclusion that entities in a socialist state are not all automatically "organs" of the state on that basis. *Cf. S&S Mach. Co. v. Masinexportimport*, 706 F.2d 411, 415 & n.3 (2d Cir.) (trading company wholly owned by Romanian government was an "instrumentality" of a foreign state; *Edlow* distinguished), *cert. denied*, 464 U.S. 850 (1983).

Relying on the district court opinions in *Mobil* and *Edlow*, Petitioner argues that review is appropriate to consider whether two vague and subjective requirements should be added to the three set forth in the FSIA definition of an "instrumentality of a foreign state." In Petitioner's view, the statute should be read

to require consideration of "the *degree* to which the entity discharges a government function," and "the *extent* of state control over the entity's operations." Petition at 14 (emphasis added). Petitioner relegated this argument to a brief footnote in the court of appeals, *see* pp.5-6, *supra*, and the courts below did not address it.

Petitioner's argument is unsupportable under any theory of statutory interpretation, and there is no conflict among the courts of appeals warranting this Court's review. In any event, Petitioner's two proposed new jurisdictional requirements would plainly be satisfied on the record before the Court, so resolution of the issue would make no difference in the result in this case. The *Mobil* court did not offer any rationale for its adoption of *Edlow*'s comments on applying the FSIA to entities in socialist states, which, in effect, would write those comments into § 1603(b) as new jurisdictional requirements. The plain language of the statute forecloses any such result. None of the three criteria in § 1603(b) suggests that FSIA jurisdiction turns on the discharge of a government function or control of day-to-day operations.

The adoption of the vague *Edlow* criteria, as suggested by Petitioner, would undercut Congress's efforts to set forth clear-cut standards for jurisdictional rulings under the FSIA so that foreign states would respect decisions of the federal courts and grant fair treatment to United States interests abroad in return. Foreign states might understandably perceive decisions based on Petitioner's vague criteria as subject to political manipulation and less worthy of respect, contrary to Congress's purpose. In addition, the legislative history of the FSIA evidences Congress's

expectation that commercial enterprises owned by foreign states would be classed as instrumentalities under the statute.[9]

Petitioner did not press the issue of its two proposed new jurisdictional requirements below or make a record sufficient to preserve it for review. Even if it had, jurisdiction would be unaffected, because both proposed requirements are satisfied on the record before the Court. As to the degree of state control, ICI is "100 percent owned *and controlled*" by the Irish government. A-298 (emphasis added). As to discharge of a government function, the Irish statutes cited by the district court are conclusive. These statutes specifically authorize the Irish government's ownership and control of ICI. A-297 to A-298. In *First National City Bank v. Banco Para el Comercio Exterior de Cuba*, 462 U.S. 611, 624-27 (1983), this Court identified enabling statutes such as those cited by the district court as a "typical" characteristic of an "instrumentality" under the FSIA and explained the important governmental functions performed by such instrumentalities.

Accordingly, review should be denied because the factual determination of ICI's status as an instrumentality of a foreign state presents no legal issue of any importance and there is no conflict among the courts of appeals.

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[9] *See* H. R. Rep. No. 94-1487, 94th Cong., 2d Sess. (1976), *reprinted in* 1976 U.S.C.C.A.N. 6614 (examples of commercial instrumentalities include "a state trading corporation, a mining enterprise, a transport organization such as a shipping line or airline, a steel company, a central bank, an export association").

II. Certiorari Is Not Warranted to Review a Narrow Question of Ancillary Jurisdiction Over the Nondiverse Excess Insurers in the *F&C* Action.

A. Petitioner's Second Question Has No Prospective Importance and Is Moot for Most Respondents.

Petitioner seeks review of a narrow question of ancillary jurisdiction pertaining only to the *F&C* action—whether a defendant may add nondiverse parties to a compulsory counterclaim pursuant to Fed. R. Civ. P. 13(h). Although inapplicable to this case, 28 U.S.C. § 1367 answers that question as to all cases commenced on or after December 1, 1990. A-21 n.7 (supplemental jurisdiction would exist under § 1367); Petition at 21 n. 12. Consequently, that question has no prospective importance whether or not Petitioner is correct in its reading of *Finley v. United States*, 490 U.S. 545 (1989); and we believe it is not. Any decision by this Court would affect very few other cases.

In addition, Petitioner's question only addresses jurisdiction over its "counterclaims against nondiverse parties."[10] Question 2, Petition at i. Since the final judgment entered against Petitioner in favor of its primary insurer and the diverse excess insurers in the *F&C* action would not be affected, Petitioner's question

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[10] *See* Petition at 18 (*Finley* prohibits pendent-party jurisdiction over "added parties over whom no independent basis of jurisdiction exists"); Petition at 9, 10, 17, 18, 21 (challenging jurisdiction over "nondiverse excess insurers").

not only lacks any general importance, it has no significance even as to most Respondents.[11]

B. There Is No Conflict Among the Circuits

Petitioner has framed its question presented in terms of "pendent-party jurisdiction" under *Finley v. United States*, 490 U.S. 545 (1989) (applying Federal Tort Claims Act). Petitioner asserted ancillary jurisdiction in the district court, however, not pendent-party jurisdiction. A-17. On appeal, the Court of Appeals held that there was ancillary jurisdiction, and distinguished pendent-party jurisdiction. A-17 to A-21. The Court of Appeals carefully considered *Finley's* holding that pendent-party jurisdiction does not allow a plaintiff to join non-governmental parties under the Federal Tort Claims Act, and correctly concluded that there was no conflict between *Finley* and its decision upholding ancillary jurisdiction over nondiverse parties joined by a defendant to a compulsory counterclaim under Rule 13(h).[12] A-17 to A-21.

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[11]The Court of Appeals unanimously rejected Petitioner's contention that the entire judgment should be vacated so that the action could be remanded to state court, explaining that "it would be extremely imprudent to remand this cause on the basis of what amounts to conjecture on the part of [Petitioner], which cannot call into question the competence of a federal court to resolve matters of substantive state law." A-15.

[12]The Court recently emphasized that in considering ancillary jurisdiction, "[i]t is to the holdings of our cases, rather than their dicta, that we must attend." *Kokkonen v. Guardian Life Ins. Co.*, 114 S.Ct. 1673, 1676 (1994). That caution seems particularly apt with respect to *Finley*, since the Court acknowledged the pragmatic benefits of pendent party jurisdiction and invited Congress to act.

Pendent-party jurisdiction typically involves claims by a *plaintiff* against a party the plaintiff could not have directly named as a defendant because of restrictions on federal jurisdiction. Thus, the Court in *Finley* declined to permit the *plaintiff* to assert claims against nondiverse parties where the basis for federal jurisdiction, the FTCA, only authorized suits against the United States. Similarly, in *Owen Equipment & Erection Co. v. Kroger*, 437 U.S. 365, 374-75 (1978), the Court did not allow the *plaintiff* to assert claims against a nondiverse third-party defendant, emphasizing that otherwise the fundamental requirement of complete diversity might be "evaded completely."[13] In contrast, ancillary jurisdiction "typically involves 'claims by a

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Finley, 490 U.S. at 555-56. Congress responded by promptly enacting the supplemental jurisdiction statute. As the Fifth Circuit concluded, "'[I]t would make no sense to give an expansive reading to *Finley* to reach a result that Congress has deliberately repudiated for future cases.' C.A. Wright, et al., Federal Practice and Procedure § 3567.2 (Supp. 1992)." *Rodriguez v. Pacificare of Texas, Inc.*, 980 F.2d 1014, 1019 (5th Cir.), *cert. denied*, 113 S.Ct. 2456 (1993). *See Ponce Fed. Bank, F.S.B. v. Vessel Lady Abby*, 980 F.2d 56, 59 (1st Cir. 1992) (same, *quoting* Professor Wright).

[13]Petitioner has never disputed that the requirement of complete diversity is satisfied in the *F&C* action between the original parties: plaintiff F&C and defendant Petitioner. The Court of Appeals noted that "the bringing in of additional parties to respond to a compulsory counterclaim does not destroy diversity jurisdiction." A-20 to A-21, *quoting* C.A. Wright, LAW ON FEDERAL COURTS § 79 at 527 n.6 (4th ed. 1983). Even if there were a problem, it could be easily cured by the dismissal with prejudice of the nondiverse parties. *See Newman-Green, Inc. v. Alfonzo-Lorrain*, 490 U.S. 826, 836 (1989) ("requiring dismissal [of the entire case] after years of litigation would impose unnecessary and wasteful burdens on the parties, judges, and other litigants waiting for judicial attention").

defending party haled into court against his will, or by another person whose rights might be irretrievably lost unless he could assert them in an ongoing action in federal court.'" A-19, *quoting Owen*, 437 U.S. at 376.

Petitioner is the *defendant* in the *F&C* action, not the plaintiff and, thus, was "haled into court against [its] will." *Id.* Petitioner asserted a compulsory counterclaim against plaintiff F&C (its primary insurer) and joined its excess insurers as additional defendants to this counterclaim pursuant to Rule 13(h). It concedes that it asserted ancillary jurisdiction as a "precautionary measure" to protect its rights. Petition at 8. This is the same type of situation the Court identified in *Owen* as justifying ancillary jurisdiction for claims by a defendant but not by a plaintiff. Thus, the Court of Appeals correctly found that upholding ancillary jurisdiction over the nondiverse excess insurers was consistent—not in conflict—with *Finley* and *Owen*.[14]

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[14]The Court of Appeals noted that this distinction between claims by plaintiffs (which might undermine the complete diversity rule) and claims by defendants (which do not pose the same danger) is preserved by the supplemental jurisdiction statute. A-20 to A-21. Petitioner ignores the fact that 28 U.S.C. § 1367(b) only restricts supplemental jurisdiction over "claims by *plaintiffs*" in diversity cases. A-20 (emphasis by the court), *quoting* § 1367(b). Prof. McLaughlin, on whom Petitioner mistakenly relies, Petition at 21 n.12, indicates only that supplemental jurisdiction should not extend to claims *by a plaintiff* against parties joined under Rule 13(h), *e.g.*, claims by plaintiff F&C against nondiverse excess insurers. McLaughlin, *The Federal Supplemental Jurisdiction Statute—A Constitutional and Statutory Analysis*, 24 Ariz. St. L.J. 849,940 (1992). This case involves a claim *by a defendant* joining nondiverse parties under Rule 13(h). Prof. McLaughlin agrees with Respondents that there is

The Third Circuit decision is consistent not only with *Finley* but also with decisions of other courts of appeals. It was generally accepted prior to the enactment of the supplemental jurisdiction statute that ancillary jurisdiction extended to nondiverse parties added by a defendant pursuant to Rule 13(h) in a compulsory counterclaim. *See, e.g., Zurn Indus. v. Action Constr. Co.*, 847 F.2d 234, 238 (5th Cir. 1988); *Bauer v. Uniroyal Tire Co.*, 630 F.2d 1287, 1290 n.2 (8th Cir. 1980); *Newburger, Loeb & Co. v. Gross*, 563 F.2d 1057, 1070 (2d Cir. 1977), *cert. denied*, 434 U.S. 1035 (1978); *United Artists Corp. v. Masterpiece Prod., Inc.*, 221 F.2d 213, 217 (2d Cir. 1955) (Clark, J.); *see also Owen Equip.*, 437 U.S. at 375 n.18; C.A. Wright, LAW ON FEDERAL COURTS § 9 at 31 (4th ed. 1983) ("Ancillary jurisdiction permits courts to ... bring in additional parties to respond to a compulsory counterclaim under Rule 13(h)"). This rule continued unchanged subsequent to *Finley:*

> Prior to the *Finley* decision, it was well-settled that when diversity between parties is lacking, a court could assert ancillary jurisdiction over an additional party joined to a compulsory counterclaim pursuant to rule 13(h). [citations omitted]. We believe that *Finley* does not invalidate this widely accepted practice.

Associated Dry Goods Corp. v. Tower Fin. Corp., 920 F.2d 1121, 1125 (2d. Cir. 1990).[15]

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jurisdiction over such claims under the law before *Finley*, under the law after *Finley*, and under the supplemental jurisdiction act. *Id.* at 876, 927, 931-32, 937, 947.

[15]Ancillary jurisdiction over the nondiverse excess insurers would also be available by treating Petitioner's

The Court recently stated that "[g]enerally speaking, we have asserted ancillary jurisdiction (in the very broad sense in which that term is sometimes used) ... to permit disposition by a single court of claims that are, in varying respects and degrees, factually interdependent." *Kokkonen v. Guardian Life Ins. Co.*, 114 S.Ct. 1673, 1676 (1994). The assertion of ancillary jurisdiction in the *F&C* action is clearly appropriate as it involves a compulsory counterclaim (*i.e.*, a claim arising out of the same transaction or occurrence) in which Petitioner sought a finding of joint and several liability against all its insurers on virtually identical claims arising from a common nucleus of operative facts. A-19 n.5.

Birmingham Fire Ins. Co. of Pa. v. Winegardner & Hammons, Inc., 714 F.2d 548 (5th Cir. 1983), the only circuit court case cited by Petitioner as conflicting with the decision below, is plainly distinguishable on this ground. *Birmingham Fire* involved a claim which was "most definitely not a compulsory counterclaim." *Id.* at

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Rule 13(h) counterclaims against the nondiverse excess insurers as Rule 14(a) third-party claims. *See, e.g., Schwab v. Erie Lackawanna R.R. Co.*, 438 F.2d 62, 64 (3d Cir. 1971) (treating compulsory counterclaim as third-party claim and upholding ancillary jurisdiction). Ancillary jurisdiction over third-party claims against nondiverse parties was "well-settled" prior to *Finley*. *Id.* at 65; 6 C. Wright & A. Miller, FEDERAL PRACTICE & PROCEDURE § 1444 (2d ed. 1990) ("it is well settled that there need be no independent jurisdictional basis for [defendant's claims against a third-party defendant] if diversity of citizenship exists between the original parties"). This rule also remained settled after *Finley*. *See, e.g., King Fisher Marine Serv., Inc. v. 21st Phoenix Corp.*, 893 F.2d 1155, 1158, 1161 (10th Cir.), *cert. denied*, 496 U.S. 912 (1990); *Washington Hosp. Ctr. v. Collier*, 947 F.2d 1498, 1500-01 (D.C. Cir. 1991).

552. There were no allegations of joint and several liability, and the claims were sufficiently unrelated that the court questioned whether there was even a "common nucleus of operative fact," the constitutional minimum requisite for ancillary jurisdiction. *Id.*, *quoting United Mine Workers v. Gibbs*, 383 U.S. 715, 725 (1966). *Cf. Zurn Indus.*, 847 F.2d at 236-38 (Fifth Circuit decision upholding ancillary jurisdiction over nondiverse parties added by Rule 13(h) to a compulsory counterclaim); *Syndicate 420 at Lloyd's London v. Glacier Gen. Ins. Co.*, 633 F.Supp. 428, 431-32 (E.D. La. 1986) (distinguishing *Birmingham Fire* as involving claims which "were not interrelated").

Accordingly, review should be denied because there is no conflict among the courts of appeals, and the question presented has no prospective significance and is moot as to most Respondents.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully Submitted,

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August 4, 1994

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Decision of the U.S. Court of Appeals for the Eighth Circuit Dated June 21, 1993 (Pages RA1-RA3)

United States Court of Appeals

FOR THE EIGHTH CIRCUIT

No. 93-1207

Murphy Oil USA, Inc.,

Appellee,

v.

United States Fidelity and Guaranty Company; Fidelity and Guaranty Insurance Underwriters, Inc.,

Defendants

Lloyd's of London, also known as Scottish Lion Insurance Company, Inc., also known as Insurance Corporation of Ireland, also known as World Auxiliary, also known as United Standard, also known as Threadneedle, also known as Swiss Union, also known as Sphere, also known as St. Helens, also known as River Thames, also known as Orion, also known as Minster, also known as London Overseas, also known as Helvetia, also known as Fidelidad, also known as Excess, also known as English & American, also known as Edinburgh, also known as Drake, also known as Anglo-French, also known as Andrew Weir, also known as Alba, also known as Insurance Company

of North America, also known as Dominion Insurance Company Ltd.,

Appellant.

Admiral Insurance Company; California Union Insurance Company; Employer's Surplus Lines Insurance Company; First State Insurance Company; Gilbraltar Casualty Company; Harbor Insurance Company; International Insurance Company; Stonewall Insurance Company; Twin City Fire Insurance Company; Unigard Insurance Company; Associated International Company,

Defendants.

No. 91-1157

Appeal from the United States District Court for the Western District of Arkansas.

Before BOWMAN, Circuit Judge, HEANY, Senior Circuit Judge, and BEAM, Circuit Judge.

An issue in this matter is whether Insurance Company of Ireland (ICI) now known as ICAROM plc (ICAROM) is an agency or instrumentality of a foreign state, as defined by 28 U.S.C. § 1603(b)(2). The district court found that "based upon the facts now before it" ICAROM failed to demonstrate that it was a "foreign state." We believe that this finding requires a more detailed presentation and analysis of the facts bearing upon the subject.

We retain jurisdiction of this appeal and remand the case to the district court for a hearing on this issue. The

district court shall conduct an evidentiary hearing on whether ICAROM is or is not an agency or instrumentality of a foreign state and shall, within 90 days, certify its findings of fact and conclusions of law to this court.

Upon the filing of the district court's certification, the clerk shall notify the parties. They shall then have 20 days after notification to file simultaneous briefs limited to this issue. Thereafter, the matter shall stand submitted to this panel for decision.

June 21, 1993

Order Entered at the Direction of the Court:
s/
Clerk, U.S. Court of Appeals, Eighth Circuit

Judgment of the U.S. Court of Appeals for the Eighth Circuit Dated August 30, 1993 (Pages RA4-RA5)

United States Court of Appeals

FOR THE EIGHTH CIRCUIT

No. 93-1207

Murphy Oil USA, Inc.,

Appellee,

v.

United States Fidelity and Guaranty Company; Fidelity and Guaranty Insurance Underwriters, Inc.,

Defendants

Lloyd's of London, also known as Scottish Lion Insurance Company, Inc., also known as Insurance Corporation of Ireland, also known as World Auxiliary, also known as United Standard, also known as Threadneedle, also known as Swiss Union, also known as Sphere, also known as St. Helens, also known as River Thames, also known as Orion, also known as Minster, also known as London Overseas, also known as Helvetia, also known as Fidelidad, also known as Excess, also known as English & American, also known as Edinburgh, also known as Drake, also known as Anglo-French, also known as Andrew Weir, also known as Alba, also known as Insurance Company

of North America, also known as Dominion Insurance Company Ltd.,

Appellant.

Admiral Insurance Company; California Union Insurance Company; Employer's Surplus Lines Insurance Company; First State Insurance Company; Gilbraltar Casualty Company; Harbor Insurance Company; International Insurance Company; Stonewall Insurance Company; Twin City Fire Insurance Company; Unigard Insurance Company; Associated International Company,

Defendants.

No. 91-1157

Appeal from the United States District Court for the Western District of Arkansas.

JUDGMENT

Appellant's motion to dismiss the appeal is granted. The appeal is hereby dismissed in accordance with Federal Rules of Appellate Procedure 42(b).

The Court's mandate shall issue forthwith.

August 30, 1993

A true copy.

Attest: s/
Clerk, U.S. Court of Appeals,
Eighth Circuit

LIST OF AFFILIATED COMPANIES OF RESPONDENTS[1]
(Pages RA6-RA43)

Fidelity & Casualty Ins. Co. of New York

Parent: The Continental Corporation

Associated Electric & Gas Insurance Services Limited

None

Aetna Casualty and Surety Company

Parent: Aetna Life and Casualty Company

American Home Assurance Company

Subsidiary of: American International Group, Inc.

Boston Old Colony Insurance Company

Parent: The Continental Corporation

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[1]Respondents make this disclosure as required by Supreme Court Rule 29.1. Although CIGNA Insurance Company and the Insurance Company of North America are identified as "respondents" by TETCO, TETCO has not challenged the grant of summary judgment in their favor on other grounds.

Continental Casualty Company

Parent: CNA Financial Corporation
Loew's Corporation

Employers Mutual Company

First State Insurance Company

Parent: ITT Corporation

Subsidiaries: New England Insurance Corporation and New England Reinsurance Company

Highlands Insurance Company

Subsidiary of: Halliburton Company

The Home Insurance Company

Parent: Home Holdings, Inc.

Insurance Company of the State of Pennsylvania

Subsidiary of: American International Group, Inc.

International Insurance Company

International Insurance Company is a subsidiary of the Resolution Group, Inc., which is a subsidiary of Talegen Holdings, Inc. The parent of Talegen Holdings, Inc. is Xerox Financial Services, Inc. The parent of Xerox Financial Services, Inc. is Xerox Corp.

Lexington Insurance Company

Parent: American International Group, Inc.

Subsidiary of:
Birmingham Fire Insurance Company, Insurance Company of the State of Pennsylvania, and National Union Fire Insurance Company of Pittsburgh, PA.

National Surety Corporation

National Surety Corporation is a subsidiary of Fireman's Fund Insurance Company, which is a subsidiary of Allianz of America, which is a subsidiary of Allianz Aktiengesellschaft Holding of Germany.

Pennsylvania Insurance Guaranty Association

None

Prudential Reinsurance Company

Subsidiary of:
The Prudential Insurance Company of America

Ranger Insurance Company

Subsidiary of: Fairfax Financial Holdings

Republic Insurance Company

Republic-Vanguard Insurance Company is a wholly-owned subsidiary of Republic Insurance Company, a subsidiary of Republic-Vanguard Reinsurance Co. Republic-Vanguard Reinsurance Co. is a subsidiary of Republic Financial Services, Inc. of Nevada, which is a subsidiary of Republic Financial Services, Inc. of Texas. Republic Financial Services, Inc. of Texas is a subsidiary of Winterthur U.S. Holdings, Inc., a subsidiary of Winterthur Swiss Insurance Co. of Switzerland. The only publicly owned company is Winterthur Swiss Ins. Co. of Switzerland.

Stonewall Insurance Company

Subsidiary of: Great American Insurance Company

United States Fire Insurance Company

United States Fire Insurance Company is a subsidiary of Crum & Forster Holdings, Inc. Crum & Forster Holdings, Inc. is a subsidiary of Talegen Holdings, Inc. The parent of Talegen Holdings, Inc. is Xerox Financial Services, Inc. The parent of Xerox Financial Services, Inc. is Xerox Corp.

Certain Underwriters at Lloyd's, London

Parent Companies: None

Subsidiaries (except for wholly-owned): None

London Market Insurance Companies

Agrippina Versicherungs Aktiengesellshaft Insurance Company, Limited

Parent Companies:
The majority of Agrippina Versicherungs Aktiengesellshaft Insurance Company, Limited's shares are owned by Zurich Insurance Company, Switzerland.

Subsidiaries (except for wholly owned):
Agrippina Lebensversicherung Aktiengesellschaft; Agrippina Ruckversicherung Aktiengesellschaft and Patria Versicherung Aktiengesellschaft.

Allianz International Insurance Company, Limited

Parent Companies:
Allianz International Insurance Company, Limited is now known as Allianz Cornhill International plc. The company is owned by Allianz (UK) Ltd. (37.5%) and Cornhill Insurance plc (62.5%). The ultimate parent company is Allianz Aktiengesellschaft (AG) Holding.

Subsidiaries (except for wholly-owed): None.

Anglo Saxon Insurance Association, Limited

Parent Companies:
Anglo Saxon Insurance Association, Limited, now known as Unione Italiana (U.K.) Reinsurance Company Limited, is wholly-owned by Unione Italiana di Riassicurazione SpA.

Subsidiaries (except for wholly-owned): None.

Assicurazioni Generali SpA Insurance Company (United Kingdom), Limited

Parent Companies:
Assicurazioni Generali SpA Insurance Company (United Kingdom), Limited is a wholly-owned subsidiary of Assicurazioni Generali SpA.

Subsidiaries (except for wholly-owned): None.

Assurances Generales de France (UK) IART

Parent Companies:

Assurances Generales de France (UK) IART is wholly-owned by Assurances Generales de France IART, which in turn is owned by Assurances Generales de France, S.A. (86.2%) and Société Centrale Des Assurances Generale de France.

Subsidiaries (except for wholly-owned): None.

Atlantic Mutual Insurance Company, Limited

Parent Companies:

Atlantic Mutual Insurance Company, Limited is wholly-owned by the Atlantic Mutual Insurance Company.

Subsidiaries (except for wholly-owned): None.

Atlas Assurance Company, Limited

Parent Companies:

Atlas Assurance Company, Limited is wholly-owned by GRE (U.K.) Ltd. The ultimate holding company is Guardian Royal Exchange plc.

Subsidiaries (except for wholly-owned): None.

Baloise Fire Insurance Company, Limited

Parent Companies:
Baloise Fire Insurance Company, Limited is a wholly-owned subsidiary of Baloise Holding, the parent company of the Baloise Group.

Subsidiaries (except for wholly-owned): None.

Baltica-Skandinavia, Insurance Company (United Kingdom) Limited

Parent Companies:
Baltica-Skandinavia, Insurance Company (United Kingdom) Limited, now known as Baltica Insurance Company (UK) Limited, is a wholly-owned subsidiary of Baltica Forsikring A/S.

Subsidiaries (except for wholly-owned): None.

Bellefonte Insurance Company, Limited

Parent Companies:
Bellefonte Insurance Company, Limited was merged into the Northwestern National Insurance Group, whose immediate parent is Armco Financial Services Corp., and whose ultimate parent is Armco Inc.

Subsidiaries (except for wholly-owned): None.

Bishopsgate Insurance Company, Limited

Parent Companies:

The immediate parent of Bishopsgate Insurance Company, Limited is Fortis, Inc. The ultimate parent companies are the N.V. AMEV and Groupe AG.

Subsidiaries (except for wholly-owned): None.

British Aviation Insurance Company, Limited

Parent Companies:

British Aviation Insurance Company, Limited's stock is owned by the following companies: Sun Alliance and London Insurance plc. (29.74%); Commercial Union Assurance Co. plc (29.68%); Royal Insurance plc (27.37%); General Accident & Life Assurance Corporation plc (8.46%) and Guardian Assurance Co. Ltd. (4.75%).

Subsidiaries (except for wholly-owned): None.

British Law Insurance Company, Limited

Parent Companies:

British Law Insurance Company, Limited is a wholly-owned subsidiary of Sun Alliance and London Insurance plc., which in turn is wholly-owned by Sun Alliance Group plc.

British Merchants' Insurance Company, Limited

Parent Companies:
British Merchants' Insurance Company, Limited merged into Dominion Insurance Company Limited. Its immediate holding company is Dominion Insurance Limited and its ultimate holding company is Fondiaria, SpA.

Subsidiaries (except for wholly-owned): None.

British National Life Insurance Society, Limited

Parent Companies:
British National Life Insurance Society, Limited is now known as British National Life Assurance Company Limited. Its immediate holding company is CI Services Holdings Limited, and its ultimate holding company is Wingfield Limited.

Subsidiaries (except for wholly-owned): None.

British Northwesten Insurance Company, Limited

Parent Companies:
The parent company of British Northwestern Insurance Company, Limited is Eagle Star Insurance Company Limited, which in turn, is wholly-owned by Eagle Star Holdings plc., which in turn is a wholly-owned subsidiary of BAT Industries plc.

Subsidiaries (except for wholly-owned): None.

British Reserve Insurance Company, Limited

Parent Companies:

The immediate parent of British Reserve Insurance Company, Limited is Cornhill Insurance plc. The ultimate parent is Allianz Versicherungs-AG, which, in turn, is a wholly-owned subsidiary of Allianz AG Holding.

Subsidiaries (except for wholly-owned): None.

C.F. & A.U., Limited

Parent Companies:

The immediate holding company of C.F. & A.U., Limited is B.D. Cooke & Partners and its ultimate holding company is Fondiaria, SpA.

CNA Reinsurance of London, Limited

Parent Companies:

CNA Reinsurance of London, Limited, now known as CNA International Reinsurance Co. Ltd., is a wholly-owned subsidiary of Continental Casualty Company, which is controlled by CNA Financial Corporation. The ultimate parent company is Loews Corporation.

Subsidiaries (except for wholly-owned): None.

Colbourne Insurance Company, Limited

Parent Company:
The parent of Colbourne Insurance Company, Limited is Coastal Corporation.

Subsidiaries (except for wholly-owned): None.

Commercial Union Assurance Company of the United Kingdom, Limited

Parent Companies:
Commercial Union Assurance Company plc is the parent of Commercial Union Assurance Company of the United Kingdom, Limited. Commercial Union plc is the ultimate parent company.

Subsidiaries (except for wholly-owned): None.

La Concorde

Parent Companies:
La Concorde's three major shareholders are Generali France (62.4%), Assurances Generales de Trieste et Venise (10%) and Assicurazioni Generali SpA (9.4%). The company is ultimately controlled by the Generali Group, Italy.

Subsidiaries (except for wholly-owned):
Compagnie Continentale d'Assurances; La Federation Continentale; Europeene de Protection Juridique; La Lutece; La Reunion

Francaise and L'Equite and Northern Star Insurance Company.

Continental Insurance Company, Limited

Parent Companies:

The Continental Insurance Company, Limited is now known as the Continental Insurance Company (Europe) Limited. The immediate parent company is Lombard Continental Insurance plc. The company's ultimate parent is The Continental Corporation.

Subsidiaries (except for wholly-owned): None.

Cornhill Insurance plc

Parent Companies:

Allianz (U.K.) Limited is the immediate parent of Cornhill Insurance plc. Allianz Versicherungs-AG is its ultimate parent. Allianz Versichrungs-AG is a wholly-owned subsidiary of Allianz AG Holding.

Subsidiaries (except for wholly-owned): None.

Dai Tokyo Insurance Company, Limitied

Parent Company:

Dai Tokyo Insurance Company, Limitied is a wholly-owned subsidiary of The Dai Tokyo Fire & Marine Insurance Company, Limited.

Subsidiaries (except for wholly-owned): None.

Devonport Insurance Company, Limited

Parent Companies:

Devonport Insurance Company, Limited is now known as Sovereign Insurance (U.K.) Ltd., which is a wholly-owned subsidiary of Sovereign Marine & General Insurance Company Limited which, in turn, is wholly-owned by Willis Corroon plc.

Dominion Insurance Company

Parent Companies:

The immediate holding company of Dominion Insurance Company Limited is Dominion Insurance Holdings Limited and its ultimate holding company is Fondiaria, SpA.

Subsidiaries (except for wholly-owned): None.

Drake Insurance Company, Limited

Parent Companies:

Drake Insurance Company Limited was merged into Sphere Drake Insurance plc. Its immediate holding company is Sphere Drake Insurance Group plc which is, in turn, wholly-owned by Sphere Drake Acquisitions Limited which is, in turn, wholly-owned by Sphere Drake Holding plc (U.K.), which is, in turn, wholly-owned by SD Holding Limited which is, in turn, wholly-

owned by Sphere Drake Holdings Limited (Bermuda).

Subsidiaries (except for wholly-owned): None.

Edinburgh Assurance Company, Limited

Parent Companies:
The parent company of Edinburgh Assurance Company, Limited is Commercial Union plc.

Elders Insurance Company, Limited

Parent Companies:
Elders Insurance Company, Limited is a subsidiary of Sun Alliance and London plc.

English and Scottish Insurance Company, Limited

Parent Companies:
English and Scottish Insurance Company, Limited is a subsidiary of AXA Marine & Aviation Insurance (U.K.) Limited. The ultimate parent company is AXA S.A. (France).

Ennia (United Kingdom)

Parent Companies:
Ennia is a wholly-owned subsidiary of AEGON General Insurance Holdings (U.K.) Limited. The ultimate parent company is AEGON NV.

Subsidiaries (except for wholly-owned): None.

L'Etoile S.A.

Parent Companies:
L'Etoile S.A. is wholly-owned by AG 1824 (Compagnie Belge d'Assurances Generales). The shares of AG 1824 are held by N.V. AMEV (50%) and Groupe AG (50%).

Subsidiaries (except for wholly-owned): None.

Excess Insurance Company, Limited

Parent Companies:
Excess Insurance Company, Limited is a wholly-owned subsidiary of London & Edinburgh Insurance Group, Limited which in turn is wholly-owned by Hartford International Insurance Company which in turn is owned by ITT Corporation.

Subsidiaries (except for wholly-owned): None.

Fugi Fire and Marine Insurance Company (United Kingdom), Limited

Parent Companies:
Fugi Fire and Marine Insurance Company (United Kingdom), Limited, now known as Fugi International Insurance Company Ltd., is a subsidiary of The Fugi Fire & Marine Insurance Company Limited. The parent company's

shares trade on the Tokyo and Osaka Stock Exchange.

Subsidiaries (except for wholly-owned): None.

Group Josi per Thilly Re, Belgium

Parent Companies:
Sofina S.A. is the immediate parent of Group Josi. The ultimate parent is Assuranz Group Josi.

Subsidiaries (except for wholly-owned): None.

GTE Insurance Company, Limited

Parent Companies:
GTE Insurance Company, Limited, now known as Greyfriars Insurance Company Limited, is a wholly-owned subsidiary of Sovereign Marine & General Insurance Company Limited which is wholly-owned by Willis Corroon plc.

Guarantee Insurance Company

Parent Companies:
The Guarantee Insurance Company is wholly-owned by the Thomson Corporation (Canada).

Hansa Marine Insurance Company, Limited

Parent Companies:
The immediate holding company of Hansa Marine Insurance Company, Limited is Trygg-Hansa Forsakring AB. The ultimate holding company is Trygg-Hansa SPP Holding AB.

Highlands Insurance Company, Limited

Parent Companies:
The immediate parent of Highlands Insurance Company, Limited is Halliburton Holdings Ltd. The ultimate parent is Halliburton Company.

Subsidiaries (except for wholly-owned): None.

Indemnity Marine Insurance Company, Limited

Parent Companies:
Indemnity Marine Insurance Company, now known as Indemnity Marine Assurance Company, is a wholly-owned subsidiary of Commercial Union Assurance Company, plc. The ultimate parent company is Commercial Union, plc.

Subsidiaries (except for wholly-owned): None.

INSCO

Parent Companies:
INSCO is a wholly-owned subsidiary of Bermaco Insurance Co. Ltd. Bermaco Insurance

Co. Ltd. is a member of the Chevron Corporation Group of Companies.

Subsidiaries (except for wholly-owned): None.

Insurance Company of North America (United Kingdom), Limited

Parent Companies:
Insurance Company of North America (United Kingdom), Limited is a wholly-owned subsidiary of CIGNA U.K. Holdings Limited. The ultimate holding company is CIGNA Corporation.

Subsidiaries (except for wholly-owned): None.

Insurance Corporation of Ireland, Limited

Parent Companies:
Insurance Corporation of Ireland, Limited, now known as Icarom plc, is wholly-owned by ministers of, and in trust for, the government of the Republic of Ireland.

Subsidiaries (except for wholly-owned):
Property Corporation of Ireland, Ltd.

Lincoln Insurance Company, Limited

Parent Companies:
The Lincoln Insurance Company, Limited is wholly-owned by the Thomson Corporation (Canada).

Subsidiaries (except for wholly-owned): None.

Lloyd Italico Assicurazioni

Parent Companies:
The immediate parent of Lloyd Italico Assicurazioni is Royal Insurance plc. Royal Insurance Holdings plc. is the ultimate parent of Lloyd Italico Assicurazioni.

Subsidiaries (except for wholly-owned): None.

London & Edinburgh General Insurance Company, Limited

Parent Companies:
London & Edinburgh General Insurance Company, Limited (also known as London & Edinburgh Insurance Company, Limited) is a wholly-owned subsidiary of London & Edinburgh Insurance Group Limited which is, in turn, owned by Hartford International Insurance Company which is, in turn, owned by ITT Corporation.

Subsidiaries (except for wholly-owned):
Excess Underwriting Management Singapore Limited.

London & Hull Maritime Insurance Company, Limited

Parent Companies:
London & Hull Maritime Insurance Company, Limited is now known as AXA Marine & Aviation Insurance Co. Ltd., and is part of the AXA Group. AXA S.A. (France) is the ultimate parent company.

Subsidiaries (except for wholly-owned): None.

London & Overseas Insurance Company, Limited

Parent Companies:
London & Overseas Insurance Company, Limited is a wholly-owned subsidiary of Orion Insurance Company plc., which in turn, is a wholly-owned subsidiary of Nationale-Nederlanden (U.K.) Ltd., which in turn is a wholly-owned subsidiary of Internationale Nederlanden Verzekeringen NV (parent).

Subsidiaries (except for wholly-owned): None.

Minster Insurance Company, Limited
Parent Companies:
Minster Insurance Company, Limited is now known as GAN Minster Insurance Company Ltd. The company is a wholly-owned subsidiary

of GAN International S.A. The ultimate holding company is Société Centrale du Groupe Assurances Nationales.

Subsidiaries (except for wholly-owned):
The Contingency Insurance Company, Ltd.

National Security Fire and Casualty Company

Parent Companies:
The parent company of National Security Fire and Casualty Company is National Security Group, Inc.

Subsidiaries (except for wholly-owned): None.

Nippon Fire and Marine Insurance Company (U.K.) Limited

Parent Companies:
Nippon Fire and Marine Insurance Company (U.K.) Limited is a wholly-owned subsidiary of Nippon Fire and Marine Insurance Company, Limited (Japan).

Subsidiaries (except for wholly-owned): None.

North Atlantic Insurance Company, Limited

Parent Companies:
The parent company of North Atlantic Insurance Company, Limited (formerly known as British National Insurance Company Ltd.) is CI

Holdings Limited. The ultimate parent is Wingfield Limited.

Subsidiaries (except for wholly-owned): None.

Northern Assurance Company, Limited

Parent Companies:
The immediate parent of Northern Assurance Company, Limited is Commercial Union Assurance Company plc., which in turn, is a wholly-owned subsidiary of Commercial Union plc.

Subsidiaries (except for wholly-owned): None.

Norwich Union Fire Insurance Society Ltd.

Parent Companies:
Norwich Union Fire Insurance Society Ltd. is wholly-owned by Norwich Union Holdings plc. The ultimate holding company is Norwich Union Life Insurance Society.

Subsidiaries (except for wholly-owned): None.

Ocean Marine Insurance Company, Limited

Parent Companies:
Ocean Marine Insurance Company, Limited is a wholly-owned subsidiary of Commercial Union Assurance Company plc. The ultimate parent company is Commercial Union plc.

Subsidiaries (except for wholly-owned): None.

Orion Insurance Company, Limited

Parent Companies:
Orion Insurance Company, Limited is now known as Orion Insurance Company plc. It is a wholly-owned subsidiary of Nationale-Nederlanden NV which is, in turn, a wholly-owned subsidiary of Internationale Nederlanden Verzekeringen NV.

Subsidiaries (except for wholly-owned):
Orion Marine Insurance Underwriting Agency Limited.

Pearl Assurance Company, Limited

Parent Companies:
Pearl Assurance Company, Limited, now known as Pearl Assurance Public Liability Company, is a wholly-owned subsidiary of Pearl Group plc. The ultimate parent company is Australian Mutual Provident Society of Sidney, Australia.

Subsidiaries (except for wholly-owned): None.

Phoenix Assurance Company, Limited

Parent Companies:
The parent company of Phoenix Assurance Company, Limited is Phoenix Assurance plc.,

which in turn is wholly-owned by Sun Alliance and London Insurance plc.

Subsidiaries (except for wholly-owned): None.

Polaris Insurance Company, Limited

Parent Companies:
Polaris Insurance Company, Limited was merged into Uni Storebrand Insurance Company (UK) Limited, which is wholly-owned by Uni Storebrand International. The ultimate parent is Uni Storebrand A.S.

Subsidiaries (except for wholly-owned): None.

La Preservatrice Company Anoynyne D'Assurances

Parent Companies:
La Preservatrice Company Anoynyne D'Assurances is a subsidiary of Preservatrice Fonciere Tiard. Preservatrice Fonciere Tiard is controlled by Groupe Athena, the insurance holding company of Worms & Cie.

Subsidiaries (except for wholly-owned): None.

Provincial Insurance Company, Limited

Parent Companies:
Provincial Insurance Company, Limited is a subsidiary of Provincial Insurance plc., which in turn is owned by Provincial Group plc.

Subsidiaries (except for wholly-owned):
Provincial Insurance Company of East Africa, Ltd., Provincial Citystate Group Ltd.

Prudential Assurance Company, Limited

Parent Companies:
Prudential Assurance Company, Limited (also known as Prudential Insurance Company, Ltd.) is a subsidiary of Prudential Corporation, plc.

Subsidiaries (except for wholly-owned):
Prudential Life of Ireland, Limited; Prudential Vita SpA; St. Helen's Trust Limited and the Standard Trust Limited.

Prudential Trust Company, Limited

Parent Companies:
The parent company of Prudential Trust Company, Limited is Prudential Corporation, plc.

Subsidiaries (except for wholly-owned): None.

Riunione Adriatica Di Sicurta (RAS), Italy

Parent Companies:
The parent company of Riunione Adriatica Di Sicurta (RAS), Italy is Riunione Adriatica Di Sicurta, SpA. The parent company is 51.5% owned by ACIF Allianz Compagnia Italiana Finanziamenti SpA of Milan. Shares of Riunione

Adriatica Di Sicurta, SpA are traded on the Italian Stock Exchanges.

Subsidiaries (except for wholly-owned): None.

River Thames Insurance Company, Limited

Parent Companies:

The immediate holding company of River Thames Insurance Company, Limited is Transamerica Insurance Company which owns 51% of the company. The ultimate holding company is Transamerica Corporation. The remaining 49% is owned by Sedgwick Group plc.

Subsidiaries (except for wholly-owned): None.

Road Transport & General Insurance Company, Limited

Parent Companies:

Road Transport & General Insurance Company, Limited is a wholly-owned subsidiary of General Accident Fire & Life Assurance Corporation plc, which in turn, is a subsidiary of General Accident plc.

Subsidiaries (except for wholly-owned): None.

Royale Belge per Thilly Re, Belgium

Parent Companies:
The parent company of Royale Belge is Royal Belge S.A.

Subsidiaries (except for wholly-owned): None.

Royal Insurance Company (UK) Limited

Parent Companies:
Royal Insurance Holdings plc is the holding company and ultimate parent of the Royal Insurance Group, of which Royal Insurance Company (UK) Limited is a wholly-owned subsidiary company.

Subsidiaries (except for wholly-owned): None.

Royal Scottish Insurance Company, Limited

Parent Companies:
Royal Scottish Insurance Company, Limited, now known as the Royal Scottish Assurance Company, is wholly-owned by the Royal Bank of Scotland Group plc.

Subsidiaries (except for wholly-owned):
Royal Scottish Assurance Services Limited.

Scan Re Insurance Company, Limited

Parent Companies:
The parent companies of Scan Re Insurance Company Limited are by Gjensidige Forsikring (Norway) and Lansforsakringsbolagens A.B. (Sweden).

Scottish Lion Insurance Company, Limited

Parent Companies:
Scottish Lion Insurance Company, Limited is a wholly-owned subsidiary of China Merchants' Holding Co., Ltd.

Subsidiaries (except for wholly-owned): None.

Sirius Insurance Company, Limited

Parent Companies:
Sirius Insurance Company, Limited is a wholly-owned subsidiary of the Sirius Insurance Company Limited of Sweden. The ultimate parent is ABB Asea Brown Boveri.

Subsidiaries (except for wholly-owned): None.

Skandia Insurance Company (Sweden), Limited

Parent Companies:
Skandia Insurance Company (Sweden), Limited is part of Skandia Group, the ultimate parent is Skandia Insurance Company A.B.

Subsidiaries (except for wholly-owned): None.

Skandia (United Kingdom) Insurance Company, plc

Parent Companies:
Skandia (United Kingdom) Insurance Company, plc is a wholly-owned subsidiary of Skandia International Insurance Corporation, which in turn is a wholly-owned subsidiary of Skandia International Holding A.B.

Subsidiaries (except for wholly-owned): None.

Sovereign Marine & General Insurance Company, Limited

Parent Companies:
Sovereign Marine & General Insurance Company, Limited is a wholly-owned subsidiary of Willis Corroon Group plc.

Subsidiaries (except for wholly-owned): None.

Sphere Drake Insurance Company, Limited

Parent Companies:
Sphere Insurance Company Limited is now known as Sphere Drake Insurance plc. Its immediate holding company is Sphere Drake Insurance Group plc which is, in turn, wholly-owned by Sphere Drake Acquisitions Limited which is, in turn, wholly-owned by Sphere Drake Holding plc (U.K.), which is, in turn,

wholly-owned by Sphere Drake Limited which is, in turn, wholly-owned by Sphere Drake Holdings Limited (Bermuda).

Subsidiaries (except for wholly-owned): None.

Sphere Insurance Company, Limited

Parent Companies:

Sphere Insurance Company Limited is now known as Sphere Drake Insurance plc. Its immediate holding company is Sphere Drake Insurance Group plc which is, in turn, wholly-owned by Sphere Drake Acquisitions Limited which is, in turn, wholly-owned by Sphere Drake Holding plc (U.K.), which is, in turn, wholly-owned by Sphere Drake Limited which is, in turn, wholly-owned by Sphere Drake Holdings Limited (Bermuda).

Subsidiaries (except for wholly-owned): None.

Storebrand Insurance Company (United Kingdom), Limited

Parent Companies

Storebrand Insurance Company (United Kingdom), Limited, now known as Uni Storebrand Insurance Company (UK) Ltd., is wholly-owned by Uni Storebrand International, Limited. The ultimate parent is Uni Storebrand A.S.

Subsidiaries (except for wholly-owned): None.

Stronghold Insurance Company, Limited

Parent Companies:

Stronghold Insurance Company, Limited is a wholly-owned subsidiary of NW Reinsurance Corporation Limited. The ultimate holding company is Norwich Winterthur Holdings Limited. The holding company, in turn, is controlled by Norwich Union Insurance Group of the United Kingdom and Winterthur Swiss Insurance Company of Switzerland, each of which holds 48.5% of the shares of the parent company; the balance is held by the Chiyoda Fire and Marine Insurance Company (Europe) Limited.

Subsidiaries (except for wholly-owned): None.

The Svenska Veritas Marine and Fire Insurance Company, Limited

Parent Companies:

The Svenska Veritas Marine and Fire Insurance Company, Limited is a wholly-owned subsidiary of WASA International Insurance Company Limited, which is a wholly-owned subsidiary of WASA Insurance Holding Company, Limited.

Subsidiaries (except for wholly-owned): None.

Switzerland General Insurance Company (U.K.), Limited

Parent Companies:

Switzerland General Insurance Company (U.K.) Limited is a wholly-owned subsidiary of Switzerland General Insurance Company, which in turn, is owned by the Swiss Reinsurance Company, Zurich.

Subsidiaries (except for wholly-owned): None.

Terra Nova Insurance Company, Limited

Parent Companies:

Terra Nova Insurance Company, Limited is wholly-owned by Terra Nova Insurance Group plc.

Subsidiaries (except for wholly-owned): None.

Threadneedle Insurance Company, Limited

Parent Companies:

The immediate parent of Threadneedle Insurance Company, Limited is Eagle Star Insurance Company, Ltd, which is wholly-owned by Eagle Star Holdings plc., which is a wholly-owned subsidiary of BAT Industries plc.

Subsidiaries (except for wholly-owned): None.

Tokio Marine & Fire Insurance Company (U.K.), Limited

Parent Companies:
Tokio Marine & Fire Insurance Company (U.K.), Limited is a wholly-owned subsidiary of the Tokio Marine & Fire Insurance Company, Limited, Japan.

Subsidiaries (except for wholly-owned):
Tokio Marine Europe Ltd.
TM Management Services Ltd.

Trent Insurance Company, Limited

Parent Companies:
Trent Insurance Company Limited was merged into Eagle Star Insurance Company Limited, which is wholly-owned by Eagle Star Holdings plc. The ultimate holding company is BAT Industries plc.

Subsidiaries (except for wholly-owned): None.

Turegum Insurance Company, Limited

Parent Companies:
Turegum Insurance Company, Limited is a wholly-owned subsidiary of Zurich Insurance Company (also known as Zurich Versicherungs-Gesellschaft).

Subsidiaries (except for wholly-owned): None.

Ulster Marine Insurance Company, Limited

Parent Companies:
Ulster Marine Insurance Company Limited is a wholly-owned subsidiary of General Accident Fire and Life Assurance Corporation plc.

Subsidiaries (except for wholly-owned): None.

L'Unione des Assurance de Paris, France

Parent Companies:
The parent company of L'Unione des Assurance de Paris, France is Societe Centrale Union des Assurances de Paris.

Subsidiaries (except for wholly-owned): None.

USICO

Parent Companies:
USICO was a utility owned and operated industry mutual insurance company. As of March 1, 1990 USICO went into runoff. At that time, the owners of this mutual company were: Boston Edison; Carolina Power & Light; COM Energy; Freeport Power; Minnesota Power; Northeast Utilities; Pennsylvania Power & Light; San Diego G&E; Square Butte Electric Corp.; Superior Water, Light & Power; Texas Eastern Transmission Corp.; Texas Gas Transmission and Texas Utilities.

Vanguard Insurance Company, Limited

Parent Companies:

Vanguard Insurance Company, Limited, is 70% owned by the Broken Hill Proprietary Company Ltd. and 30% owned by Assicurazioni Generali SpA.

Subsidiaries (except for wholly-owned): None.

Vesta Insurance Company, Limited

Parent Companies:

The parent company of Vesta Insurance Company, Limited is Skadeforsikringsselskapet Vesta A/S (Norway). The ultimate holding company is Skandia Group Insurance Company Ltd.

Subsidiaries (except for wholly-owned): None.

Wausau Insurance Company (United Kingdom), Limited

Parent Companies:

Wausau Insurance Company (United Kingdom), Limited is a wholly-owned subsidiary of Employers Insurance of Wausau – A Mutual Company.

Subsidiaries (except for wholly-owned): None.

Westminster Aviation Insurance Group

Parent Companies:

None. Westminster Aviation Insurance Group is an underwriting agency whose main shareholders are GAN International, France; GAN Minster; Assurances Generales de France and CAMAT.

Subsidiaries (except for wholly-owned): None.

World Auxiliary Insurance Corporation, Limited

Parent Companies:

World Auxiliary Insurance Corporation, Limited is a wholly-owned subsidiary of Commercial Union Assurance Company plc which is, in turn, a wholly-owned subsidiary of Commercial Union plc.

Subsidiaries (except for wholly-owned): None.

World Marine and General Insurance Company, Limited

Parent Companies:

World Marine & General Insurance Company Limited is wholly-owned by the Broken Hill Proprietary Company Ltd.

Subsidiaries (except for wholly-owned): None.

Wurttembergische Feuer, United Kingdom

Parent Companies:

The main shareholders are the Swiss Re Group; Robert Bosch Gmbh; Baden – Wurttembergisch Bank AG and Commerzbank AG.

Subsidiaries (except for wholly-owned):

Nord-Deutsche Versicherungs–AG, Hamburg; Wurttembergische und Badische Verscicherungs–AG, Helbronn; Folgate Insurance Co. Ltd., London; Levensverzekering Maatschappij Erasmus N.V., Rotterdam; Allgemeine Rentenarstalt, Lebens und Rentenversicherungs–AG, Stuttgart; Baden-Wurttembergische Bank AG, Stuttgart; Baden-Wurttembergische Kapitalanlagegesellschaft mbH, Stuttgart and Unternehmensbeteiligungs-gesellschaft Baden-Wurttemberg AG.

Yasuda Fire & Marine Insurance Company (U.K.), Limited

Parent Companies:

Yasuda Fire & Marine Insurance Company (U.K.), Limited, now known as Yasuda Fire & Marine Insurance Co. of Europe, Ltd., is wholly-owned by Yasuda Fire & Marine Insurance Company Limited, Japan.

Subsidiaries (except for wholly-owned): None.

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